

VALIDUS HOLDINGS LTD

Form 424B4

August 06, 2009

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**Filed Pursuant to Rule 424(b)(4)
Registration Statement No. 333-159148**

AN AMALGAMATION PROPOSAL YOUR VOTE IS VERY IMPORTANT

To the shareholders of Validus Holdings, Ltd. (Validus) and the shareholders of IPC Holdings, Ltd. (IPC):

On July 9, 2009, IPC, Validus and Validus Ltd., a direct wholly owned subsidiary of Validus, entered into an Agreement and Plan of Amalgamation (the Amalgamation Agreement).

Subject to shareholder approval as described herein and satisfaction or waiver of the other conditions specified in the Amalgamation Agreement, on the date the Amalgamation is consummated (the Closing Date), IPC will amalgamate with Validus Ltd. (the Amalgamation). IPC shareholders (including the shareholders that do not vote in favor of the Amalgamation) will have the right to receive 0.9727 common shares, par value \$0.175 per share, of Validus (Validus Shares), \$7.50 in cash (less any applicable withholding taxes and without interest) and cash in lieu of fractional shares in exchange for each common share, par value \$0.01 per share, of IPC (an IPC Share) they hold, unless they exercise appraisal rights pursuant to Bermuda law.

The Validus Special Meeting. Validus will hold a special meeting of its shareholders (the Validus special meeting), on September 4, 2009, at 9:00 A.M., Atlantic Time, at the registered office of Validus, located at 19 Par-La-Ville Road, Hamilton, HM11, Bermuda. Validus shareholders will be asked at the Validus special meeting:

to approve the issuance of Validus Shares pursuant to the Amalgamation Agreement (the Share Issuance);

to approve an adjournment proposal in respect of the Validus special meeting for the solicitation of additional proxies in favor of the above proposal, if necessary; and

to transact such other further business, if any, as may lawfully be brought before the Validus special meeting.

Validus is soliciting proxies from holders of Validus Shares at the Validus special meeting in order to be able to issue the Validus Shares to IPC shareholders in connection with the Amalgamation. The Share Issuance will become effective only if it is approved by Validus shareholders and the Amalgamation is consummated. The affirmative vote of a majority of the votes cast at the Validus special meeting at which a quorum is present in accordance with Validus bye-laws is required to approve each matter to be acted on at the Validus special meeting. Even if you previously voted on the issuance of Validus Shares at the special general meeting of Validus shareholders held on June 26, 2009, because the composition of the consideration being offered by Validus to IPC shareholders was subsequently changed, your vote is necessary at the Validus special meeting in order to approve the Share Issuance.

Shareholders of record as of the close of business on July 27, 2009 will be entitled to vote at the Validus special meeting. As of July 27, 2009, there were 59,253,652 outstanding Validus Shares entitled to vote at the Validus special meeting, and 19,771,422 Validus non-voting common shares. Each Validus Share entitles the holder of record thereof to one vote at the Validus special meeting; however, if, and for so long as, the Validus Shares of a shareholder, including any votes conferred by controlled shares (as defined below), would otherwise represent more than 9.09% of the aggregate voting power of all Validus Shares entitled to vote on a matter, the votes conferred by such Validus Shares will be reduced by whatever amount is necessary such that, after giving effect to any such reduction (and any

other reductions in voting power required by Validus bye-

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laws), the votes conferred by such Validus Shares represent 9.09% of the aggregate voting power of all Validus Shares entitled to vote on such matter. Controlled shares include all shares that a person is deemed to own directly, indirectly or constructively (within the meaning of Section 958 of the Internal Revenue Code of 1986 and Section 13(d)(3) of the Securities Exchange Act of 1934, as amended).

Aquiline Capital Partners LLC, Vestar Capital Partners, and New Mountain Capital, LLC, which collectively owned approximately 38% of Validus outstanding voting common shares as of July 27, 2009, have agreed to vote in favor of the Share Issuance.

Validus knows of no specific matter to be brought before the Validus special meeting that is not referred to in the notice of the Validus special meeting. If any such matter comes before the Validus special meeting, including any shareholder proposal properly made, the proxy holders will vote proxies in accordance with their judgment.

The IPC Special Meeting. IPC will hold a special general meeting of its shareholders (the IPC special meeting) on September 4, 2009, at 10:00 A.M., Atlantic Time, at the registered office of IPC located at the American International Building, 29 Richmond Road, Pembroke HM 08, Bermuda. IPC shareholders will be asked at the IPC special meeting:

to approve an amendment to IPC s bye-laws to reduce the shareholder vote required to approve an amalgamation with any other company from the affirmative vote of three-fourths of the votes cast thereon at a general meeting of the shareholders to a simple majority (the IPC bye-law amendment);

to adopt the Amalgamation Agreement and approve the Amalgamation;

to approve an adjournment proposal in respect of the IPC special meeting for the solicitation of additional proxies in favor of either of the above proposals, if necessary; and

to transact such other further business, if any, as may lawfully be brought before the meeting.

The affirmative vote of a majority of the votes cast at the IPC special meeting, at which a quorum is present in accordance with IPC s bye-laws, is required to approve the IPC bye-law amendment, which will become immediately effective if so approved. If the IPC bye-law amendment is approved, the affirmative vote of a majority of the votes cast at the IPC special meeting will be required to adopt the Amalgamation Agreement and approve the Amalgamation. If the IPC bye-law amendment is not approved, the affirmative vote of three-fourths of the votes cast at the IPC special meeting shall be required to adopt the Amalgamation Agreement and approve the Amalgamation. The affirmative vote of a majority of the votes cast at the IPC special meeting is required to approve each other matter to be acted on, including the approval of any adjournment proposal.

Under IPC s bye-laws, with limited exceptions, any shareholder owning, directly, indirectly or, in the case of any U.S. person, constructively or by attribution, shares of IPC with 10% or more of the total combined voting power of all shares entitled to vote will have the voting rights attached to such shares reduced so that it may not exercise more than approximately 9.9% of the total voting rights. The reduction in votes is generally applied in declining order based on the number of such shares owned by each shareholder. Under these provisions of IPC s bye-laws, certain shareholders may have their voting rights limited to less than one vote per share. Moreover, these provisions could have the effect of reducing the voting power of certain shareholders who would not otherwise be subject to the limitation by virtue of their direct share ownership.

* * *

Based on Validus and IPC's respective capitalizations as of August 5, 2009 and the exchange ratio of 0.9727, Validus estimates that former IPC shareholders would own, in the aggregate, approximately 38% of the issued and outstanding Validus Shares on a fully-diluted basis following closing of the Amalgamation. Validus will issue approximately 54,959,648 Validus Shares in connection with the Amalgamation. Validus will apply to list these Validus Shares on the New York Stock Exchange (NYSE), subject to official notice of issuance.

Before the Amalgamation can close, Validus shareholders must approve the Share Issuance at the Validus special meeting (or any adjournment thereof) and IPC shareholders must adopt the Amalgamation Agreement and approve the Amalgamation at the IPC special meeting (or any adjournment thereof).

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Validus Shares are quoted on the NYSE under the symbol VR. The closing price of a Validus Share on the NYSE on August 5, 2009, the last practicable date prior to the filing of this joint proxy statement/prospectus, was \$24.04. IPC Shares, which are currently quoted on the NASDAQ Global Select Market (NASDAQ) under the symbol IPCR and the Bermuda Stock Exchange under the symbol IPCR BH , would be delisted upon completion of the Amalgamation. The closing price of an IPC Share on NASDAQ on August 5, 2009, the last practicable date prior to the filing of this joint proxy statement/prospectus, was \$30.30. All references to dollars and \$ in this joint proxy statement/prospectus refer to U.S. dollars.

Validus board of directors has authorized and approved the Share Issuance and deems it fair, advisable and in the best interests of Validus and its shareholders to consummate the Share Issuance, the Amalgamation and the other transactions contemplated by the Amalgamation Agreement. Validus board of directors recommends that Validus shareholders vote FOR the proposals submitted to Validus shareholders on the attached Validus proxy card.

IPC s board of directors has adopted the Amalgamation Agreement and authorized and approved the Amalgamation of IPC with Validus Ltd. upon the terms and subject to the conditions set forth in the Amalgamation Agreement, authorized and approved the IPC bye-law amendment, and deems it fair, advisable and in the best interests of IPC to enter into the Amalgamation Agreement and to consummate the Amalgamation and the other transactions contemplated by the Amalgamation Agreement. IPC s board of directors recommends that IPC shareholders vote FOR each proposal submitted to IPC shareholders on the attached IPC proxy card.

This joint proxy statement/prospectus provides Validus and IPC shareholders with detailed information about the Validus special meeting, the IPC special meeting and the Amalgamation. You can also obtain information from publicly available documents filed by Validus and IPC with the SEC. **Validus and IPC encourage you to read this entire document carefully, including the section entitled *Risk Factors* beginning on page 34.**

Your vote is very important. Whether or not you plan to attend the Validus special meeting or the IPC special meeting, please take time to vote by completing and mailing your enclosed proxy card or by following the voting instructions provided to you if you own your shares through a bank, broker or other nominee. If you do not receive such instructions, you may request them from that firm.

Sincerely,

Edward J. Noonan
Chairman and Chief Executive Officer
Validus Holdings, Ltd.

John R. Weale
Interim President and Chief Executive Officer
IPC Holdings, Ltd.

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the Share Issuance, passed upon the merits or fairness of the Share Issuance or passed upon the adequacy or accuracy of the disclosure in this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

Important notice regarding the availability of proxy materials for the Validus special meeting to be held on September 4, 2009 and the IPC special meeting to be held on September 4, 2009

The joint proxy statement/prospectus and the related proxy materials are available free of charge on Validus' website at www.validusre.bm and on IPC's website at www.ipcre.bm.

**This joint proxy statement/prospectus is dated August 6, 2009
and is first being mailed to Validus and IPC shareholders on or about August 6, 2009**

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SOURCES OF ADDITIONAL INFORMATION

This joint proxy statement/prospectus includes information, including important business and financial information, also set forth in documents filed by Validus and IPC with the Securities and Exchange Commission (SEC), and those documents include information about Validus and IPC that is not included in or delivered with this joint proxy statement/prospectus. You can obtain any of the documents filed by Validus or IPC, as the case may be, with the SEC from the SEC or, without charge, from the SEC's website at <http://www.sec.gov>. Validus and IPC shareholders also may obtain documents filed with the SEC or documents incorporated by reference in this joint proxy statement/prospectus free of cost, by directing a written or oral request to the appropriate company at:

Validus Holdings, Ltd.
19 Par-La-Ville Road
Hamilton HM11
Bermuda
Attention: Jon Levenson
(441) 278-9000

IPC Holdings, Ltd.
American International Building
29 Richmond Road
Pembroke HM 08
Bermuda
Attention: Melanie J. Saunders
(441) 298-5100

If you would like to request documents, in order to ensure timely delivery, you must do so at least ten business days before the date of the relevant meeting. This means you must request this information no later than August 21, 2009. Validus or IPC, as the case may be, will mail properly requested documents to requesting shareholders by first class mail, or another equally prompt means, within one business day after receipt of such request.

See *Where You Can Find More Information* on page 158.

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**19 Par-La-Ville Road
Hamilton HM11
Bermuda**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON SEPTEMBER 4, 2009**

August 6, 2009

NOTICE IS HEREBY GIVEN that a Special Meeting of Shareholders of Validus Holdings, Ltd. (Validus) will be held at 19 Par-La-Ville Road, Hamilton HM11, Bermuda, on September 4, 2009, at 9:00 A.M., Atlantic Time, for the following purposes:

to approve the issuance of Validus voting common shares, par value \$0.175 per share, pursuant to the Amalgamation Agreement (as defined in the joint proxy statement/prospectus on the following pages);

to approve an adjournment proposal in respect of the meeting for the solicitation of additional proxies in favor of the above proposal, if necessary; and

to transact such other further business, if any, as may be lawfully brought before the meeting.

For further information concerning matters to be acted upon at the Validus special meeting, you are urged to read the joint proxy statement/prospectus on the following pages.

If you are a Validus shareholder of record, please complete, sign, date and return the enclosed proxy in the return envelope furnished for that purpose, as promptly as possible, whether or not you plan to attend the meeting, or follow the instructions on the Validus proxy card to complete your proxy card on the Internet at the website indicated or by telephone. If you own your shares through a bank, broker, or other nominee, you will receive instructions from that institution on how to instruct them to vote your shares, including by completing a voting instruction form, or providing instructions by Internet or telephone. If you do not receive such instructions, you may contact that institution to request them. If you later desire to revoke your proxy for any reason, you may do so in the manner described in the attached joint proxy statement/prospectus. Only shareholders of record as shown on the transfer books of Validus at the close of business on July 27, 2009 will be entitled to notice of, and to vote at, the Validus special meeting or any adjournments thereof. See *The Validus Special Meeting* beginning on page 112 in the joint proxy statement/prospectus for more information.

By Order of the Board of Directors,

/s/ Lorraine Dean

Lorraine Dean
Secretary

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**American International Building
29 Richmond Road
Pembroke HM 08, Bermuda**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON SEPTEMBER 4, 2009**

August 6, 2009

Notice is hereby given that a Special Meeting of Shareholders of IPC Holdings, Ltd. (IPC) will be held at the registered office of IPC, located at the American International Building, 29 Richmond Road, Pembroke HM 08, Bermuda, commencing at 10:00 A.M., Atlantic Time, on September 4, 2009, for the following purposes:

to approve an amendment to IPC s bye-laws to reduce the shareholder vote required to approve an amalgamation with any other company from the affirmative vote of three-fourths of the votes cast thereon at a general meeting of the shareholders to a simple majority, pursuant to the Agreement and Plan of Amalgamation, dated as of July 9, 2009, between IPC, Validus Holdings, Ltd. (Validus) and Validus Ltd. (the Amalgamation Agreement);

to adopt the Amalgamation Agreement and approve the resulting amalgamation;

to approve an adjournment of the meeting for the solicitation of additional IPC proxies in favor of either of the above proposals, if necessary; and

to transact such other further business, if any, as may lawfully be brought before the meeting.

Information concerning the matters to be acted upon at the IPC special meeting is set forth in the accompanying joint proxy statement/prospectus.

Under the terms of the Amalgamation Agreement, each outstanding IPC common share (including any shares held by IPC shareholders that do not vote in favor of the amalgamation, but excluding any shares as to which appraisal rights have been exercised pursuant to Bermuda law), will be cancelled and converted into the right to receive 0.9727 common shares of Validus, \$7.50 in cash, less any applicable withholding tax and without interest, and cash in lieu of fractional shares upon closing of the amalgamation.

Under Bermuda law, in the event of an amalgamation of a Bermuda company with another company or corporation, any shareholder of the Bermuda company is entitled to receive fair value for its shares. IPC s board of directors considers the fair value for each IPC common share to be \$7.50 plus 0.9727 Validus common shares, providing IPC shareholders with a value of \$29.48 for each IPC common share as based on the closing price of Validus common shares on July 8, 2009, the day immediately preceding the public announcement of the proposed amalgamation.

Any IPC shareholder that is not satisfied that it has been offered fair value for its IPC common shares and whose shares are not voted in favor of the Amalgamation Agreement and the amalgamation may exercise its appraisal rights under the Companies Act 1981 of Bermuda, as amended (the Companies Act) to have the fair value of its IPC common shares appraised by the Supreme Court of Bermuda (the Court). Any IPC shareholder intending to exercise appraisal rights MUST file its application for appraisal of the fair value of its IPC common shares with the Court within ONE MONTH after the date the notice convening the IPC special meeting is deemed to have been received.

Only shareholders of record, as shown on IPC's register of members or branch register, at the close of business on July 27, 2009, will be entitled to notice of, and to vote at, the IPC special meeting or any adjournments thereof, or to exercise the appraisal rights conferred on dissenting shareholders by Bermuda law.

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If you are an IPC shareholder of record, please sign, date and return the enclosed proxy in the return envelope furnished for that purpose, as promptly as possible, whether or not you plan to attend the IPC special meeting. If you own your shares through a bank, broker or other nominee, you will receive instructions from that institution on how to instruct them to vote your shares, including by completing a proxy card, or providing instructions by Internet or telephone. If you later desire to revoke your proxy for any reason, you may do so in the manner described in the attached joint proxy statement/prospectus. See *The IPC Special Meeting* on page 115 in the accompanying joint proxy statement/prospectus for more information.

By order of the Board of Directors,

/s/ Melanie J. Saunders

Melanie J. Saunders
Secretary

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QUESTIONS AND ANSWERS ABOUT THE AMALGAMATION AND THE MEETINGS

The following questions and answers highlight selected information from this joint proxy statement/prospectus and may not contain all the information that is important to you. We encourage you to read this entire document carefully.

Q: When and where are the shareholder meetings?

A1: The Validus special meeting will take place at 9:00 A.M., Atlantic Time, on September 4, 2009, at 19 Par-La-Ville Road, Hamilton, HM11, Bermuda.

A2: The IPC special meeting will take place at 10:00 A.M., Atlantic Time, on September 4, 2009, at the American International Building, 29 Richmond Road, Pembroke HM 08, Bermuda.

Q: What is happening at the shareholder meetings?

A1: At the Validus special meeting, Validus shareholders will be asked:

to approve the issuance of Validus Shares pursuant to the Amalgamation Agreement;

to approve the adjournment of the meeting for the solicitation of additional proxies in favor of the above proposal; and

to transact such other further business, if any, as may be lawfully brought before the meeting.

Even if Validus shareholders approve the Share Issuance, the Share Issuance will take effect only if and when the Amalgamation closes.

A2: At the IPC special meeting, IPC shareholders will be asked:

to approve an amendment to IPC's bye-laws to reduce the shareholder vote required to approve an amalgamation with any other company from the affirmative vote of three-fourths of the votes cast thereon at a general meeting of the shareholders to a simple majority;

to adopt the Amalgamation Agreement and approve the Amalgamation;

to approve an adjournment proposal in respect of the IPC special meeting for the solicitation of additional proxies in favor of the foregoing proposals, if necessary; and

to transact such other further business, if any, as may lawfully be brought before the meeting.

Q: What will happen in the Amalgamation?

A: If Validus shareholders approve the Share Issuance, and if IPC shareholders adopt the Amalgamation Agreement and approve the Amalgamation, and all other conditions to the Amalgamation have been satisfied or waived, IPC will amalgamate with Validus Ltd., a direct, wholly owned subsidiary of Validus, upon the terms and subject to the conditions set forth in the Amalgamation Agreement. Upon the closing of the Amalgamation, the separate corporate existence of Validus Ltd. and IPC will cease and they will continue as a combined entity

and subsidiary of Validus and the name of the combined entity shall be Validus Ltd.

Q: Why are Validus and IPC proposing the Amalgamation?

A1: Based on a number of factors described under *The Amalgamation Reasons Why Validus Board of Directors Recommends Approval of the Share Issuance*, Validus board of directors believes that the Amalgamation represents a compelling combination and excellent strategic fit that will enable Validus to capitalize on opportunities in the global reinsurance market. Successful completion of the Amalgamation would allow Validus shareholders to benefit from the superior growth potential of a combined company that would be a leading carrier in Bermuda's short-tail reinsurance and insurance markets, with a strong balance sheet and quality diversification in profitable business lines.

A2: Based on a number of factors, including those described under *The Amalgamation Reasons Why IPC's Board of Directors Recommends Approval of the Amalgamation and the IPC Bye-law Amendment*, IPC's board of directors adopted the Amalgamation Agreement and authorized and approved the IPC bye-law amendment. IPC's board of directors believes that each of the Amalgamation and the IPC bye-law amendment is in the best interests of IPC. In making this determination, IPC's board of directors considered

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factors including the amount and type of consideration pursuant to the Amalgamation, the certainty for IPC and its shareholders, the anticipated timing of signing and closing, and the other terms and conditions of Validus offer.

Q: What would IPC shareholders receive in the Amalgamation?

A: Under the terms of the Amalgamation Agreement, each outstanding IPC Share (including any shares held by IPC shareholders that do not vote in favor of the Amalgamation, but excluding any dissenting shares as to which appraisal rights have been exercised pursuant to Bermuda law and excluding any shares held by Validus, IPC or any of their respective subsidiaries) would be cancelled and converted into the right to receive (i) 0.9727 Validus Shares, (ii) \$7.50 in cash, less any applicable withholding taxes and without interest, and (iii) cash in lieu of fractional shares, upon closing of the Amalgamation.

IPC shareholders would not receive any fractional Validus Shares in the Amalgamation. Instead, IPC shareholders would be paid cash in lieu of the fractional share interest to which such shareholders would otherwise be entitled.

Q: What percentage of Validus Shares will the former holders of IPC Shares own, in the aggregate, after the Amalgamation?

A: Based on Validus and IPC's respective capitalizations as of August 5, 2009, and the exchange ratio of 0.9727, Validus estimates that former IPC shareholders would own, in the aggregate, approximately 38% of the issued and outstanding Validus Shares on a fully-diluted basis following closing of the Amalgamation.

Q: Are shareholders able to exercise appraisal rights?

A1: Validus shareholders will not be entitled to exercise appraisal rights with respect to any matter to be voted upon at the Validus special meeting.

A2: IPC shareholders who do not vote in favor of the Amalgamation Agreement and the Amalgamation and who are not satisfied that they have been offered fair value for their IPC Shares may exercise, within one month after the date the notice convening the IPC special meeting is deemed to have been received, appraisal rights under Bermuda law to have the fair value of their IPC Shares appraised by the Supreme Court of Bermuda (the Court), subject to compliance with all of the required procedures, as described under *The Amalgamation Dissenters Rights of Appraisal for IPC Shareholders*.

Q: What will be the composition of the board of directors of Validus following the effectiveness of the Amalgamation?

A: Upon the effectiveness of the Amalgamation, Validus board of directors would consist of the directors serving on the board of directors of Validus before the Amalgamation.

Q: How will Validus be managed after the Amalgamation?

A: Upon closing of the Amalgamation, the officers of Validus will be the officers serving Validus before the Amalgamation.

Q: When do the parties expect to complete the Amalgamation?

A: The parties expect to complete the Amalgamation in the third quarter of 2009, although there can be no assurance that the parties will be able to do so. The closing of the Amalgamation is subject to customary closing conditions, including shareholder and bank approvals and receipt of certain other regulatory approvals. Please see *The Amalgamation Agreement Conditions to the Amalgamation* on page 106.

Q: Will I be taxed on the amalgamation consideration I receive?

A: IPC and Validus intend for the Amalgamation to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code), and completion of the Amalgamation is conditioned on Validus and IPC receiving tax opinions to this effect from Cahill Gordon & Reindel llp and Sullivan & Cromwell LLP, respectively. Assuming the Amalgamation so qualifies, a U.S. holder of IPC Shares that exchanges IPC Shares for Validus Shares and cash in the Amalgamation will generally recognize gain (but not loss) in an amount equal to the lesser of (i) the amount of cash received by such U.S. holder in the Amalgamation (excluding any cash received in lieu of a fractional

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Validus Share) and (ii) the excess, if any, of (a) the sum of the cash and the fair market value of the Validus Shares received by such U.S. holder (including the fair market value of any fractional Validus Share deemed received), over (b) the U.S. holder's tax basis in the IPC Shares exchanged pursuant to the Amalgamation. Subject to the passive foreign investment company rules or the potential application of Section 1248 of the Code, any gain recognized upon the exchange generally will be capital gain, unless the receipt of cash by a U.S. holder has the effect of the distribution of a dividend for U.S. federal income tax purposes. For more information, please see the section of this joint proxy statement/prospectus under the caption *Material U.S. Federal Income Tax Consequences*.

Tax matters are complicated and the tax consequences of the Amalgamation to you will depend upon the facts of your particular circumstances. Because individual circumstances may differ, Validus urges you to consult with your own tax advisor as to the specific tax consequences of the Amalgamation to you, including the applicability of U.S. federal, state, local, non-U.S. and other tax laws.

Q: What shareholder vote is required to approve the proposals at the Validus special meeting and the IPC special meeting and how many votes must be present to hold the meetings?

A1: The affirmative vote of a majority of the votes cast at the Validus special meeting, at which a quorum is present in accordance with Validus' by-laws, is required to approve the Share Issuance. The quorum required at the Validus special meeting is two or more shareholders present in person and representing in person or by proxy in excess of 50% of the total issued Validus Shares throughout the meeting. The Share Issuance will become effective only if it is duly approved by Validus shareholders and all of the other conditions to the Amalgamation are satisfied or waived and the Amalgamation closes. The affirmative vote of a majority of the votes cast at the Validus special meeting is required to approve each other matter to be acted on, including any adjournment proposal. Aquiline Capital Partners LLC, Vestar Capital Partners, and New Mountain Capital, LLC, which collectively owned approximately 38% of Validus' outstanding voting common shares as of July 27, 2009, have agreed to vote in favor of the issuance of Validus shares in connection with the transaction.

Even if you previously voted on the issuance of Validus Shares at the special general meeting of Validus shareholders held on June 26, 2009, because the composition of the consideration being offered by Validus to IPC shareholders was subsequently changed, your vote is necessary at the Validus special meeting in order to approve the Share Issuance.

A2: With respect to the IPC special meeting, the affirmative vote of a majority of the votes cast at the IPC special meeting, at which a quorum is present in accordance with IPC's by-laws, is required to approve the IPC by-law amendment, which will become immediately effective if so approved. The quorum required at the IPC special meeting is two or more shareholders present in person and representing in person or by proxy more than 50% of the issued and outstanding IPC Shares throughout the meeting. If the IPC by-law amendment is approved, the affirmative vote of a majority of the votes cast at the IPC special meeting is required to adopt the Amalgamation Agreement and approve the Amalgamation. If the IPC by-law amendment is not approved, the affirmative vote of three-fourths of the votes cast at the IPC special meeting will be required to adopt the Amalgamation Agreement and approve the Amalgamation. The affirmative vote of a majority of the votes cast at the IPC special meeting is required to approve each other matter to be acted on, including any adjournment proposal.

Q: Do the boards of directors recommend approval of the proposals?

A1: Yes. Validus' board of directors, taking into consideration the reasons discussed under *The Amalgamation Reasons Why Validus' Board of Directors Recommends Approval of the Share Issuance*, adopted the Amalgamation Agreement and authorized and approved the Share Issuance. Validus' board of directors deems it

fair, advisable and in the best interests of Validus to enter into the Amalgamation Agreement and to acquire all of the outstanding IPC Shares and to consummate the Share Issuance. **Validus board of directors recommends that Validus shareholders vote FOR each matter submitted on the Validus proxy card.**

A2: Yes. IPC's board of directors, taking into consideration the reasons discussed under *The Amalgamation Reasons Why IPC's Board of Directors Recommends Approval of the Amalgamation and the IPC bye-law*

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amendment, adopted the Amalgamation Agreement and authorized and approved the amalgamation of IPC with Validus Ltd. upon the terms and subject to the conditions set forth in the Amalgamation Agreement, authorized and approved the IPC bye-law amendment, and deems it fair, advisable and in the best interests of IPC to enter into the Amalgamation Agreement and to consummate the Amalgamation and the other transactions contemplated thereby. **IPC's board of directors recommends that you vote FOR each matter submitted on the IPC proxy card.**

Q: What is the record date for each special meeting?

- A1: The record date for the Validus special meeting is July 27, 2009 (the Validus record date). Only Validus shareholders at the close of business on the Validus record date will be entitled to notice of, and to vote at, the Validus special meeting or any adjournment or postponement thereof.
- A2: The record date for the IPC special meeting is July 27, 2009 (the IPC record date). Only IPC shareholders at the close of business on the IPC record date will be entitled to notice of, and to vote at, the IPC special meeting or any adjournment or postponement thereof.

Q: What do I need to do now?

- A: The parties urge you to read carefully this joint proxy statement/prospectus, including its annexes and the documents incorporated by reference herein. You also may want to review the documents referenced under *Where You Can Find More Information* and consult with your accounting, legal and tax advisors. Once you have considered all relevant information, the parties encourage you to fill in and return the relevant proxy card (if you are a shareholder of record) or voting instruction form you receive from your bank, broker or other nominee (if you hold your shares through a bank, broker or other nominee (in *street name*)).

Q: How can I vote my shares in person at the Validus special meeting or the IPC special meeting?

- A: If your Validus Shares or IPC Shares are registered directly in your name as of the record date with the relevant transfer agent, you are considered the shareholder of record with respect to those shares, and the proxy materials and proxy card are being sent directly to you. As the shareholder of record, you have the right to vote in person at the Validus special meeting or the IPC special meeting. If you choose to do so, you can bring the enclosed proxy card to the relevant special meeting and vote in person. Most shareholders of Validus and IPC hold their shares in street name rather than directly in their own name. If you hold your shares in street name, you are a beneficial holder, and the proxy materials are being forwarded to you by your bank, broker or other nominee together with a voting instruction form. Because a beneficial holder is not the shareholder of record, you may not vote these shares in person at the meeting unless you have either arranged for the shares beneficially owned by you to be transferred of record into your name by the record date for the special meeting or secured a valid proxy or power of attorney from the bank, broker or other nominee that holds your shares as of the record date for the relevant special meeting (and who has received a valid proxy or power of attorney from the shareholder of record pursuant to a legal proxy with a power of subdelegation from the shareholder of record as of the record date) and present that proxy at the relevant special meeting. Even if you plan to attend the Validus special meeting or IPC special meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you later decide not to attend the relevant special meeting.

Q: How can I vote my shares without attending the Validus special meeting or the IPC special meeting?

- A: If you are the shareholder of record, you may direct your vote without attending the Validus special meeting or the IPC special meeting by completing and mailing your proxy card in the enclosed pre-paid envelope. If you

hold your shares in street name you should complete and return the voting instruction form you receive from your bank, broker or other nominee in accordance with the instructions you receive from your bank, broker or other nominee. Your voting instruction form may contain instructions from your bank, broker or other nominee that allow you to vote your shares using the Internet or by telephone. Please consult with your bank, broker or other nominee if you have any questions regarding the voting of shares held in street name.

In addition, if you are a Validus shareholder of record, you may grant a proxy to vote your shares at the Validus special meeting by telephone by calling **866-367-5524** and following the simple recorded instructions, twenty-four hours a day, seven days a week, at any time prior to 11:59 p.m., Eastern Time, on the

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day prior to the Validus special meeting. Alternatively, as a Validus shareholder of record, you may vote via the Internet at any time prior to 11:59 p.m., Eastern Time, on the day prior to the Validus special meeting by going to <http://proxy.georgeson.com>, entering the company number and control number on your proxy card and following the instructions to submit an electronic proxy. If you vote by telephone or the Internet, you will be required to provide the control number contained on your proxy card.

Q: What do I need for admission to the Validus special meeting or the IPC special meeting?

A: You are entitled to attend the Validus special meeting or IPC special meeting only if you are (i) a shareholder of record or (ii) a beneficial owner or other person holding a valid proxy from the bank, broker or other nominee that holds your shares (and who has received a legal proxy, with a power of subdelegation, from the shareholder of record as of the record date). If you are the shareholder of record, your name will be verified against the list of shareholders of record prior to your admittance to the Validus special meeting or IPC special meeting. You should be prepared to present photo identification for admission. If you hold your shares in street name and would like to be admitted to the meeting, you will need to provide a valid proxy or power of attorney from the bank, broker or other nominee that holds your shares (and who has received a legal proxy, with a power of subdelegation, from the shareholder of record as of the record date) and proof of beneficial ownership on the relevant record date, such as a brokerage account statement showing that you owned Validus Shares or IPC Shares as of the relevant record date, a copy of the voting instruction form provided by your bank, broker or other nominee, or other similar evidence of ownership as of the record date, as well as your photo identification. If you do not comply with the procedures outlined above, you may not be admitted to the Validus special meeting or IPC special meeting.

Q: If my shares are held in a brokerage account or in street name, will my broker vote my shares for me?

A: If you own your shares through a bank, broker or other nominee, you will receive instructions from that institution on how to instruct them to vote your shares, including by completing a voting instruction form, or providing instructions by Internet or telephone. If you do not receive such instructions, you may contact that institution to request them. In accordance with NYSE rules, banks, brokers and other nominees who hold shares in street-name for customers may not exercise their voting discretion with respect to the proposals. Accordingly, if you do not provide your bank, broker or other nominee with instructions on how to vote your street name shares, your bank, broker or other nominee will not be permitted to vote them at the Validus special meeting or IPC special meeting, possibly resulting in a broker non-vote.

A broker non-vote with respect to the Validus special meeting or IPC special meeting will not be considered as a vote cast with respect to any matter presented at the Validus special meeting or IPC special meeting, but will be counted for purposes of establishing a quorum, *provided* that your bank, broker or other nominee is in attendance in person or by proxy.

Because your bank, broker or other nominee will not have discretionary authority to vote your shares, you must provide your bank, broker or other nominee with instructions on how to vote your shares or arrange to attend the Validus special meeting or IPC special meeting and vote your shares in person if you want your shares to be voted and to avoid a broker non-vote.

Q: What effect do abstentions and broker non-votes have on the proposals?

A: Abstentions and broker non-votes will be counted toward the presence of a quorum at, but will not be considered votes cast on any proposal brought before, the Validus special meeting or IPC special meeting. Because the vote required to approve the proposals is the affirmative vote of the required percentage of the votes cast assuming a

quorum is present, a broker non-vote with respect to any proposal to be voted on at the Validus or IPC special meeting will not have the effect of a vote for or against the relevant proposal, but will reduce the number of votes cast and therefore increase the relative influence of those shareholders voting. See also *The Validus Special Meeting Record Date and Shares Entitled to Vote* and *The IPC Special Meeting Record Date and Shares Entitled to Vote*.

Q: How will my shares be voted if I sign and return a proxy card or voting instruction form without specifying how to vote my shares?

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A: If you sign and return a proxy card or voting instruction form without giving specific voting instructions, your shares will be voted FOR the proposals on the proxy card and as the persons named as proxies may determine in their discretion with respect to any other matters properly presented for a vote before the Validus special meeting or IPC special meeting.

Q: What do I do if I want to change my vote or revoke my proxy?

A: You may change your vote or revoke your proxy at any time before your proxy is voted at the Validus special meeting or the IPC special meeting. If you are a shareholder of record, you may change your vote or revoke your proxy by: (1) delivering to Validus or IPC, a written notice of revocation of your proxy; (2) delivering to Validus or IPC an authorized proxy bearing a later date (including, for Validus shareholders, a proxy by telephone or over the Internet); or (3) attending the Validus special meeting or IPC special meeting and voting in person as described above under the question entitled *How can I vote my shares in person at the Validus special meeting or IPC special meeting?* Attendance at the Validus special meeting or IPC special meeting in and of itself, without voting in person at the Validus special meeting or IPC special meeting, will not cause your previously granted proxy to be revoked. For shares you hold in street name, you should follow the instructions of your bank, broker or other nominee or, if you have obtained a valid proxy or power of attorney from the bank, broker or other nominee that holds your shares (and who has received a legal proxy, with a power of subdelegation, from the shareholder of record as of the record date) giving you the right to vote your shares at the Validus special meeting or IPC special meeting, by attending the Validus special meeting or IPC special meeting and voting in person.

Q: Who can I contact with any additional questions?

A1: Validus shareholders:

If you have additional questions about the Amalgamation, if you would like additional copies of this joint proxy statement/prospectus, or if you need assistance voting your Validus Shares, you should contact Georgeson Inc. (Georgeson) at:

Georgeson Inc.
199 Water Street,
26th Floor
New York, New York 10038
Banks and Brokerage Firms Please Call: (212) 440-9800
All Others Please Call Toll Free: (888) 274-5146
E-mail inquiries: validus@georgeson.com

A2: IPC shareholders:

If you have additional questions about the Amalgamation, if you would like additional copies of this joint proxy statement/prospectus, or if you need assistance voting your IPC Shares, you should contact Innisfree M&A Incorporated (Innisfree) at:

Innisfree M&A Incorporated
501 Madison Avenue
20th Floor
New York, NY 10022

Toll-Free for Shareholders: (877) 825-8621

Banks and Brokers Call Collect: (212) 750-5834

Q: Where can I find more information about the companies?

A: You can find more information about Validus and IPC in the documents described under *Where You Can Find More Information*.

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SUMMARY

*This summary highlights the material information in this joint proxy statement/prospectus. To fully understand the proposals, and for a more complete description of the terms of the Amalgamation, you should read carefully this entire document, including the exhibits, and documents incorporated by reference herein, and the other documents referred to herein. For information on how to obtain the documents that are on file with the SEC, please see the section of this joint proxy statement/prospectus entitled *Where You Can Find More Information*.*

The Companies (page 33)

Validus

Validus is a Bermuda exempted company with its principal executive offices located at 19 Par-La-Ville Road, Hamilton HM11, Bermuda. The telephone number of Validus is (441) 278-9000. Validus is a provider of reinsurance and insurance, conducting its operations worldwide through two wholly owned subsidiaries, Validus Reinsurance Ltd. (Validus Re) and Talbot. Validus Re is a Bermuda-based reinsurer focused on short-tail lines of reinsurance. Talbot is the Bermuda parent of the specialty insurance group primarily operating within the Lloyd's insurance market through Syndicate 1183. As of March 31, 2009, Validus had total shareholders' equity of \$2.023 billion and total assets of \$4.763 billion. Validus Shares are traded on the NYSE under the symbol *VR* and, as of August 5, 2009, the last practicable date prior to the filing of this joint proxy statement/prospectus, Validus had a market capitalization of approximately \$1.831 billion. Validus has approximately 280 employees.

As of the date of the filing of this joint proxy statement/prospectus with the SEC, Validus was the registered holder of 100 IPC Shares, or less than 1% of the outstanding IPC Shares.

IPC

IPC, a Bermuda exempted company, provides property catastrophe reinsurance and, to a limited extent, property-per-risk excess, aviation (including satellite) and other short-tail reinsurance on a worldwide basis. During 2008, approximately 93% of its gross premiums written, excluding reinstatement premiums, covered property catastrophe reinsurance risks. Property catastrophe reinsurance covers against unpredictable events such as hurricanes, windstorms, hailstorms, earthquakes, volcanic eruptions, fires, industrial explosions, freezes, riots, floods and other man-made or natural disasters. The substantial majority of the reinsurance written by IPCRe Limited (*IPCRe*), IPC's Bermuda-based property catastrophe reinsurance subsidiary, has been, and continues to be, written on an excess of loss basis for primary insurers rather than reinsurers, and is subject to aggregate limits on exposure to losses. During 2008, IPC had approximately 258 clients from whom it received either annual/deposit or adjustment premiums, including many of the leading insurance